NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid Up With 640 Acres Pooling Provision STANDARD LEASE v.5

such part of the leased premises

# PAID UP OIL AND GAS LEASE

(No Surface Use)					
THIS LEASE AGREEMENT is made this 5 day of	March	:	2009, by and between		
	tion of blank spaces)	were prepared jointly by Lessor	and Lessee.		
OUT OF THE Polytechnic Heights Fart Worth PAGE 109	COUNTY, TEX	AS, ACCORDING TO TH	BLOCK 122 , AN ADDITION TO THE CITY OF HAT CERTAIN PLAT RECORDED RRANT COUNTY, TEXAS.		
in the County of <u>Tarrant</u> , State of TEXAS, containing <u>1998</u> reversion, prescription or otherwise), for the purpose of exploring for, deve substances produced in association therewith (including geophysical/seisr commercial gases, as well as hydrocarbon gases. In addition to the above land now or hereafter owned by Lessor which are contiguous or adjacent to Lessor agrees to execute at Lessee's request any additional or supplemental of determining the amount of any shut-in royalties hereunder, the number of g	Hoping, producing ar mic operations). The described leased protein the above-described instruments for a mo	nd marketing oil and gas, along he term "gas" as used herein remises, this lease also covers a d leased premises, and, in consi ore complete or accurate descrip	includes helium, carbon dioxide and other accretions and any small strips or parcels of ideration of the aforementioned cash bonus, tion of the land so covered. For the purpose		
<ol> <li>This lease, which is a "paid-up" lease requiring no rentals, shall be it as long thereafter as oil or gas or other substances covered hereby are productive maintained in effect pursuant to the provisions hereof.</li> <li>Royalties on oil, gas and other substances produced and saved here.</li> </ol>	uced in paying quant erounder.shall be pai	tities from the leased premises o	rs: (a) For oil and other liquid hydrocarbons		
severance, or other excise taxes and the costs incurred by Lessee in deliver have the continuing right to purchase such production at the prevailing wellhe then prevailing in the same field, then in the nearest field in which there is a nearest preceding date as the date on which Lessee commences its purchase the leased premises or lands pooled therewith are capable of either producin hydraulic fracture stimulation, but such well or wells are either shut-in or produce producing in paying quantities for the purpose of maintaining this lease. It being sold by Lessee, then Lessee shall pay shut-in royalty of one dollar depository designated below, on or before the end of said 90-day period and are shut-in or production there from is not being sold by Lessee; provided Lessee from another well or wells on the leased premises or lands pooled the of such operations or production. Lessee's failure to properly pay shut-in royalty payments under this lease shall be paid or tended be Lessor's depository agent for receiving payments regardless of changes in draft and such payments or tenders to Lessor or to the depository by deposite address known to Lessee shall constitute proper payment. If the depository payment hereunder, Lessor shall, at Lessee's request, deliver to Lessee a professe or lands pooled therewith, or if all production (whether or not in pursuant to the provisions of Paragraph 3. above, if Lessee drills a well premises or lands pooled therewith within 90 days after complete end of the primary term, or at any time thereafter, this lease is not othe operations reasonably calculated to obtain or restore production therefrom, the cessation of more than 90 consecutive days, and if any such operations there is production in paying quantities from the leased premises or lands poled to (a) develop the leased premises as to formations then capable of producleased premises from uncompensated drainage by any well or wells located	tion facilities, provide to such price then pro- (including casing he and by Lessee from the such a prevailing price such a prevailing price shereunder; and (or go oil or gas or other luction there from is if for a period of 90 cm acre then covered the thereafter on or beful that if this lease is erewith, no shut-in really shall render Lesser or to Lin the ownership of seit in the US Mails in should liquidate or booper recordable instruction in the use of the paying quantities) prental authority, then an existing well or feel to of operations of erwise being maintains lease shall remains result in the production of the production of operations of erwise being maintains lease shall remains result in the production of the production of operations of the production of the produc	ed that Lessee's shall have the cole evailing in the same field, then ineed gas) and all other substate as ale thereof, less a proportion therwise marketing such gas or of for production of similar quality (see) pursuant to comparable purce) if at the end of the primary tem substances covered hereby in protocopies of the end of the primary tem substances covered hereby in protocopies of the end of the primary tem substances covered hereby in protocopies of the end of the primary tem substances covered hereby in protocopies of the end	ntinuing right to purchase such production at in the nearest field in which there is such a inces covered hereby, the royalty shall be ate part of ad valorem taxes and production, other substances, provided that Lessee shall in the same field (or if there is no such price chase contracts entered into on the same or no rany time thereafter one or more wells on aying quantities or such wells are waiting on well or wells shall nevertheless be deemed to list are shut-in or production there from is not e made to Lessor or to Lessor's credit in the of said 90-day period while the well or wells operations, or if production is being sold by of the 90-day period next following cessation t shall not operate to terminate this lease.  I chareinafter called "dry hole") on the leased use, including a revision of unit boundaries otherwise being maintained in force it shall retherwise obtaining or restoring production is after such cessation of all production. If at an engaged in drilling, reworking or any other more of such operations are prosecuted with ances covered hereby, as long thereafter as of producing in paying quantities hereunder, drill under the same or similar circumstances lands pooled therewith, or (b) to protect the		
additional wells except as expressly provided herein.  6. Lessee shall have the right but not the obligation to pool all or any depths or zones, and as to any or all substances covered by this lease, ei proper to do so in order to prudently develop or operate the leased premises unit formed by such pooling for an oil well which is not a horizontal completion horizontal completion shall not exceed 640 acres plus a maximum acreage to completion to conform to any well spacing or density pattern that may be preof the foregoing, the terms "oil well" and "gas well" shall have the meanings prescribed, "oil well" means a well with an initial gas-oil ratio of less than 100 feet or more per barrel, based on 24-hour production test conducted und equipment; and the term "horizontal completion" means an oil well in white equipment; and the term "horizontal completion" means an oil well in white component thereof. In exercising its pooling rights hereunder, Lessee shall Production, drilling or reworking operations anywhere on a unit which inches reworking operations on the leased premises, except that the production on net acreage covered by this lease and included in the unit bears to the tot Lessee. Pooling in one or more instances shall not exhaust Lessee's pooling unit formed hereunder by expansion or contraction or both, either before o prescribed or permitted by the governmental authority having jurisdiction, on making such a revision, Lessee shall file of record a written declaration describing the unit and stating the date of termination. For a written declaration describing the unit and stating the date of termination. For a written declaration describing the unit and stating the date of termination. For a written declaration describing the unit and stating the date of termination.	ther before or after to a which the properties of the proporties of the properties o	the commencement of productic illar pooling authority exists with in 80 acres plus a maximum acrea ovided that a larger unit may be for by any governmental authority liciable law or the appropriate government and "gas well" means a wear in gooditions using standard lead component of the gross completion the declaration describing the unit of the leased premises shall be latty is calculated shall be that production the unit, but only to the extent and Lessee shall have the recur ent of production, in order to control or productive acreage determination int and stating the effective date and unit production on which roy the mail not constitute a cross-convey the royalties and shut-in royaltie and shut-in royalties.	on, whenever Lessee deems it necessary or respect to such other lands or interests. The ge tolerance of 10%, and for a gas well or a sormed for an oil well or gas well or horizontal having jurisdiction to do so. For the purpose remmental authority, or, if no definition is so all with an initial gas-oil ratio of 100,000 cubic use separator facilities or equivalent testing on interval in facilities or equivalent testing interval in the reservoir exceeds the vertical interval and stating the effective date of pooling the treated as if it were production, drilling or exportion of the total unit production which the such proportion of unit production is sold by ring right but not the obligation to revise any norm to the well spacing or density pattern in made by such governmental authority. In of revision. To the extent any portion of the alties are payable hereunder shall thereafter see may terminate the unit by filing of record ance of interests.		

8. The interest of either Lessor or Lessee hereunder may be assigned, devised or otherwise transferred in whole or in part, by area and/or by depth or zone, and the rights and obligations of the parties hereunder shall extend to their respective heirs, devisees, executors, administrators, successors and assigns. No change in Lessor's ownership shall have the effect of reducing the rights or enlarging the obligations of Lessee hereunder, and no change in ownership shall be binding on Lessee until 60 days after Lessee has been furnished the original or certified or duly authenticated copies of the documents establishing such change of ownership to the satisfaction of Lessee or until Lessor has satisfied the notification requirements contained in Lessee's usual form of division order. In the event of the death of any person entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to the credit of decedent or decedent's estate in the depository designated above. If at any time two or more persons are entitled to shut-in royalties hereunder, Lessee may pay or tender such shut-in royalties to such persons or to their credit in the depository, either jointly or separately in proportion to the interest which each owns. If Lessee transfers its interest hereunder in whole or in part Lessee shall be relieved of all obligations thereafter arising with respect to the transferred interest, and failure of the transferee to satisfy such obligations with respect to the transferred interest shall not affect the rights of Lessee with respect to any interest not so transferred. If Lessee transfers a full or undivided interest in all or any portion of the area covered by this lease, the obligation to pay or tender shut-in royalties hereunder shall be divided between Lessee and the transferee in proportion to the net acreage interest in this lease then held by each.

9. Lessee may, at any time and from time to time, deliver to Lessor or file of record a written release of this lease as to a full or undivided interest in all or any portion of

the area covered by this lease or any depths or zones there under, and shall thereupon be relieved of all obligations thereafter arising with respect to the interest so released. If Lessee releases all or an undivided interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced

in accordance with the net acreage interest retained hereunder.

10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, producing or marketing from the leased premises or lands or pooled therewith, the ancillary rights grantled. herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in other lands in Which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or other lands used by Lessee hereunder, without Lessor's consent, and Lessee shall pay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or essements or by fire flood adverse weather conditions, was sabotage rehelling, insurrection, rick strike or labor disputes or by risphility to

production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactory market for production or failure of purchasers or carriers to take or transport such production, or by any other cause not reasonably within Lessee's control, this lease shall not terminate because of such prevention or delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offer. Lessee for a period of fifteen days after receipt of the police shall have the order and preferred right and option to

and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable

time after said judicial determination to remedy the breach or default and Lessee fails to do so.

14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or

other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-n royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without dures or undue influence. Lessor recognizes that lease values could go up or down depending on market would get the highest price or conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)						
Wateth Mans		_				
By: Etizabeth Munoz			Ву:			
STATE OF TEXUS		ACKNOWLEDGMENT				
COUNTY OF TOLLIANT  This instrument was acknowledged before me on the by:	5	day of	March,	_, 2009,		
JULIO MUNOZ LOPEZ  Notary Public, State of Toxas			alma			
My Commission Expires January 29, 2012			Notary Jublic, State of			
CTATE OF						
STATE OF COUNTY OF This instrument was acknowledged before me on the		day of		, 2009,		
by:						



### DALE RESOURCES LLC 2100 ROSS AVE STE 1870 LB-9

**DALLAS** 

TX 75201

Submitter: DALE RESOURCES LLC

## SUZANNE HENDERSON TARRANT COUNTY CLERK TARRANT COUNTY COURTHOUSE 100 WEST WEATHERFORD FORT WORTH, TX 76196-0401

## <u>DO NOT DESTROY</u> WARNING - THIS IS PART OF THE OFFICIAL RECORD.

Filed For Registration:

03/11/2009 08:38 AM

Instrument #:

D209065505

LŞE

3 PGS

\$20.00

By:

D209065505

ANY PROVISION WHICH RESTRICTS THE SALE, RENTAL OR USE OF THE DESCRIBED REAL PROPERTY BECAUSE OF COLOR OR RACE IS INVALID AND UNENFORCEABLE UNDER FEDERAL LAW.

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